

SUBCHAPTER 1417

**CIVILIAN ASSISTANCE AND RE-EMPLOYMENT (CARE)
FOR NAF EMPLOYEES AFFECTED BY WORKFORCE REDUCTIONS**

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- References:**
- (a) DoD Instruction 1015.10, "Programs for Military, Morale, Welfare and Recreation (MWR)," November 3, 1995
 - (b) DoD Financial Management Regulation 7000.14-R, Volume 2B, Chapter 7, Section 0702, July 1998
 - (c) Deputy Assistant Secretary of Defense (Civilian Personnel Policy) Memorandum, "Non-Federal Hiring Incentive," August 25, 1995
 - (d) Defense Federal Acquisition Regulation Supplement, Subpart 222.71, "Closure of Military Installations"
 - (e) through (p) see enclosure 1

A. FUNDING OF NAFI BASE REALIGNMENT AND CLOSURE (BRAC) COSTS

Consistent with DoD Instruction 1015.10 (reference (a)), funding of NAFI BRAC costs from appropriated fund BRAC accounts is authorized. Additional policy is stated in DoD Financial Management Regulation 7000.14-R (reference (b)). Components are responsible for identifying base closure program requirements for affected tenant activities, including NAF activities, to obtain authorized funds.

B. PROGRAMS APPLICABLE ONLY IN BRAC SITUATIONS

1. **Annual Leave Savings.** Employees who earn annual leave and will be involuntarily separated as a result of BRAC shall accumulate annual leave without regard to existing "use or lose" limitations. However, limits on any annual leave used in calculating retirement annuities remain in effect. Excess annual leave under this authority, that remains unused at the time the employee moves from the installation or activity being closed or realigned, shall be liquidated upon the move by lump-sum payment to the employee.

2. **Non-Federal Hiring Incentives.** A temporary program may be established for the payment of retraining and relocation incentives to encourage non-Federal employers to hire and retain individuals whose employment is being terminated because of BRAC. The total combined payment for retraining and relocation for any one individual may not exceed \$10,000. This incentive cannot be paid after the Congressional authorization to DoD expires. Basic policy is stated in the Deputy Assistant Secretary of Defense (Civilian Personnel Policy) (DASD(CPP)) memorandum (reference (c)).

3. **Hiring Preference for Certain Contractor Jobs.** Consistent with subpart 222.7100 of the Defense Federal Acquisition Regulation Supplement (reference (d)) a request for procurement of a contractor to provide base caretaker services needed as a result of BRAC shall include language to ensure that employees affected by BRAC receive the right of first refusal for jobs, for which they are qualified, that would be created by award of the contract. Examples of such

contracts include those covering environmental restoration, utility modification, security, and fire prevention.

C. PROGRAMS APPLICABLE IN BRAC AND GENERAL WORKFORCE REDUCTION SITUATIONS

1. **Voluntary Separation Incentive Pay (VSIP)**. Component Heads may authorize VSIP to encourage certain employees to retire or resign voluntarily to reshape and reduce the workforce, and reduce the need for involuntary separation by business-based action (BBA). A VSIP is made in a lump-sum payment equivalent to an employee's severance pay, up to a maximum of \$25,000. For the purposes of calculating VSIP for NAF employees, the severance pay calculation may not exceed the amount calculated using the civil service formula in 5 U.S.C. 5595(c) (reference (e)). A VSIP is paid upon the voluntary resignation, early retirement, or optional retirement of designated eligible employees. NF-6 employees are equivalent to SES and are ineligible for VSIP except where approved by the Office of the Assistant Secretary of Defense (Force Management Policy). This incentive cannot be paid after the Congressional authorization to DoD expires. Basic policy is stated in the Principal Director, ODASD(CPP) memorandum (reference (f)).

2. **Joint Training Partnership Act (JTPA)**. Pub. L. 102-484 (1993), section 4465, as codified in title III of 29 U.S.C. (reference (g)), made dislocated DoD employees, including NAF employees, eligible for training, adjustment assistance, and employment services through the Department of Labor. Basic policy is stated in the Principal Director, ODASD(CPP) memorandum (reference (f)).

3. **Extended Employment for Retirement and Health Insurance Eligibility**. To enable employees to reach eligibility for a retirement annuity or retiree health insurance, employees shall be carried in an annual leave status beyond the scheduled separation date to the extent such leave is available in the employee's annual leave account. An employee may not be carried in a leave status to enable the employee to become eligible for optional retirement if the employee is already eligible for early retirement. Basic policy is stated in the Principal Director, ODASD(CPP) memorandum (reference (f)).

4. **Defense Outplacement Referral System (DORS)**. DORS is an automated referral system designed to provide opportunities for placement consideration to current DoD civilian employees, including NAF employees, and their spouses who may be adversely affected by workforce reduction. Such individuals shall be given an opportunity to register. Registration policy and procedures are stated in the DORS NAF User's Guide (reference (h)) and Automation Guide (reference (i)).

5. **Reemployment Priority List (RPL)**. Each civilian personnel office or human resources office that separates a NAF employee by a BBA shall establish an RPL to provide priority placement assistance to the former employee for 1 year from the date of separation.

6. Office of Personnel Management (OPM) and DoD Interchange Agreement.

Consistent with 5 U.S.C. 2105 (c)(1)(D) (reference (j)), on September 20, 1991, OPM and DoD entered into an agreement entitled, "Agreement for the Movement of Personnel Between the Civil Service System and the NAF System in DoD" (reference (k)). It permits the movement of NAF employees to positions in the competitive service in the same manner that employees of the competitive service are transferred to such positions. DoD appropriated fund civilian personnel offices or human resources offices should make every effort to include in the minimum area of consideration those NAF employees who are employed within the minimum area of consideration and are eligible for noncompetitive appointment under the Interchange Agreement.

7. Pay and Employee Benefits Protection Under the Portability of Benefits Act.

Pub. L. 101-508 (1990), section 7202 (reference (l)), as amended, provides pay and benefits protection for employees who move between NAF and appropriated fund positions under certain conditions.

8. Permanent Change of Station (PCS) Expenses. PCS expenses may be authorized for essential travel and transportation of NAF employees and their dependents in amounts not to exceed those prescribed in the JTR (reference (m)).

9. Homeowners Assistance Program (HAP). The HAP is authorized by Pub. L. 89-754 (1966), section 1013, as amended by Pub. L. 101-510 (1991), section 331 and codified in reference (n) to cover NAF employees. Basic policy is contained in DoD Directive 4165.50 (reference (o)) and DoD 1400.20-M-4 (reference (p)). The Executive Agent for this program is the U.S. Army Corps of Engineers. The law authorizes financial assistance to those eligible military and DoD civilian employee homeowners, including NAF employees, serving at or near military installations who suffer losses incident to the disposal of their homes caused by a drop in real estate values when such military installations are ordered closed, or the scope of operations is reduced. The assistance received may take the form of payment from the Government to ameliorate the loss resulting from private sale of the home; sale of the home to the Government; or reimbursement of losses due to mortgage foreclosure. The law provides a fund established as the HAP Fund. Therefore, appropriated funds are authorized for NAF employees eligible for HAP.

10. Severance Pay. Eligible employees separated by BBA shall receive severance pay in accordance with Subchapter 1405, Appendix E of this Manual.

11. Temporary Continuation of Health Insurance. Eligible NAF employees affected by BBA shall be offered the opportunity to elect to retain their health insurance coverage for up to 18 months from the BBA separation. To be eligible, the employee must be separated by BBA, or resign or retire (if not meeting the required years of participation in the plan to continue benefits into retirement) after receipt of a BBA separation notice, and have been enrolled in a NAF health insurance plan for at least 6 months and still be enrolled at the time of separation by BBA. Components may require the employee to pay the full cost of the coverage to include any applicable administrative fee. Components may finance the employer's share and administrative fee, for up to 18 months, from BRAC or NAF funds. NAF employees are not covered by the

Consolidated Omnibus Budget Reconciliation Act health benefits extension requirements applicable to private sector employees, nor the health benefit extension requirements applicable to Federal appropriated fund employees. However, NAF employers should consider these requirements when determining length of extension and cost to the employee. This benefit cannot be offered after the Congressional authorization to DoD expires. Basic policy is stated in the Principal Director, ODASD(CPP) memorandum (reference (f)).

12. **Unemployment Compensation**. Eligible employees shall receive unemployment compensation in accordance with Federal and applicable state law.

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ENCLOSURE 1

REFERENCES, continued

- (e) Title 5, United States Code, Section 5595, "Severance Pay"
- (f) Principal Director, Office of Civilian Personnel Policy and Equal Opportunity Memorandum, "Civilian Assistance and Re-Employment (CARE) Program Implementing Instructions," June 1, 1993
- (g) Section 1651 of title 29, United States Code, "Joint Training Partnership Act Provisions"
- (h) Defense Outplacement Referral System (DORS) Nonappropriated Fund (NAF) User's Guide, June 1993
- (i) Defense Outplacement and Referral System (DORS) Nonappropriated Fund (NAF) Automation Guide, June 1993
- (j) Section 2105 (c)(1)(D) of title 5, United States Code, "Definition of Employee"
- (k) Office of Personnel Management (OPM) and DoD Interchange Agreement, September 20, 1991
- (l) Section 7202 of Public Law 101-508, "The Portability of Benefits for Nonappropriated Fund Employees Act," November 5, 1990
- (m) Joint Federal Travel Regulations (JTR), Volume 2, "Department of Defense Civilian Personnel"
- (n) Section 3374 of title 42, United States Code, "Acquisition of Property at or Near Military Bases Which Have Been Ordered to be Closed"
- (o) DoD Directive 4165.50, "Homeowners Assistance Program (HAP)," June 26, 1991
- (p) DoD 1400.20-M-4, "A Civilian Personnel Office Manual to Downsizing and Base Closure," July 1992